

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN

IN RE:

Robert George Esdale

Debtor(s)

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CASE NO. 18-02082

HON. Scott W Dales

DEBTOR'S MOTION TO INCUR DEBT AND REFINANCE MORTGAGE

NOW COMES the Debtor, Robert G. Esdale, through Counsel and for his Motion to Incur Debt and Refinance Mortgage, states as follows:

1. The Debtor filed an order for relief under chapter thirteen of the United States Bankruptcy Code on May 4, 2018.
2. The Debtor listed an interest in his residence located at 1533 Otsego Dr., Okemos MI, 48864 (the "property") which was jointly owned with his non-filing spouse.
3. The property is encumbered with a mortgage held by Bank of America (hereafter "BofA") which was listed on the Debtor's schedule D.
4. The current balance on the BofA mortgage is approximately \$101,432.08, with a monthly payment of \$1,638.92, and an interest rate of 3.625%.
5. The property is also encumbered with a mortgage held by Michigan State University Federal Credit Union (hereafter "MSUFCU") which was listed on the Debtor's schedule D.
6. The current balance on the MSUFCU mortgage is approximately \$24,683.11, with a monthly payment of \$206.30, and an interest rate of 5.50%.
7. The MSUFCU mortgage was executed on July 9, 2004 and contained a balloon provision stating that the entire balance of the loan would be due fifteen years from the date of the loan.
8. The balloon provision of the MSUFCU loan has been triggered and the Debtor and his non-filing spouse must either pay the balance of the loan in full, or refinance into a new loan.
9. The Debtor's Chapter 13 plan proposed that the debtor and his non-filing spouse would pay both mortgage payments directly to the creditors.
10. The Debtor's Chapter 13 plan was confirmed by this Court on September 21, 2018.
11. The Debtor and his non-filing spouse have remained current on their mortgage payments related to the property.

12. The Debtors have applied form, and been conditionally pre-approved to receive, a mortgage loan which would refinance their home, pay off both the BofA and MSUFCU mortgages.
13. The new mortgage which the Debtor has been approved for would be issued by MSUFCU, the principal balance would be \$136,500.00, the interest rate would be 3.625% with a repayment term of fifteen years.
14. The new mortgage payment would be \$1,526.22 (\$984.22 Principal and interest, \$542.00 taxes and insurance). A copy of the estimated terms is attached as **Exhibit 1**.
15. If the Debtor is allowed to refinance his home, he and his non-filing spouse will save approximately \$319.00 per month.
16. The Debtors intend to amend their budget if this motion is granted and if the loan is closed as planned. The Debtors believe that they will be able to increase their monthly plan payment which will increase the dividend that will be provided to the Debtor's unsecured creditors.
17. No creditors will be harmed if this motion is granted.
18. Because the new mortgage would save the Debtor money, and likely increase the amount available to his general unsecured creditors, it is in all parties best interests for this motion to be granted.

WHEREFORE, the Debtor requests that this Court approves the Debtor's Motion and sign the attached order allowing the Debtor enter into a new mortgage with the terms outlined herein and use the proceeds from the new loan to satisfy the BofA and MSUFCU mortgages which are currently outstanding against the property..

Dated: 11/13/19

/s/
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